FAIR POLITICAL PRACTICES COMMISSION
428 J Street • Suite 620 • Sacramento, CA 95814-2329
(916) 322-5660 • Fax (916) 322-0886

September 16, 2014

Working for Working Americans
Sponsored by United Brotherhood of Carpenters
and William Luddy
C/O Richard Rios, Esq.
Olson, Hagel & Fishburn LLP
[redacted]

Warning Letter Re: FPPC No. 14/328, Working for Working Americans Sponsored by United Brotherhood of Carpenters, and William Luddy

Dear Working for Working Americans Sponsored by United Brotherhood of Carpenters, and Mr. Luddy:

The Fair Political Practices Commission (the "FPPC") enforces the provisions of the Political Reform Act (the "Act"), found in Government Code section 81000, et seq. This letter comes as the result of an audit by the Franchise Tax Board ("FTB") that found you violated campaign disclosure provisions of the Act.

The FPPC has completed its investigation and review of the FTB audit file in this case. The FPPC found that you failed to timely file a statement of organization (Form 410) upon qualifying as a committee. You also failed to timely file a report disclosing two contributions of $5,000 or more in connection with a state ballot measure (Form 497). Lastly, you filed major donor campaign statements (Form 461) when you were a recipient committee and should have filed recipient committee campaign statements (Form 450 or Form 460).

Section 84101 requires a committee to file a statement of organization (Form 410) within ten days of qualifying as a committee. You qualified as a committee in 2009 but did not file a statement of organization until September of 2010. This late filing resulted in a violation of the Act.

Section 84204.5, subdivision (a) requires a recipient committee to file a report each time it makes a contribution of $5,000 or more to support or oppose a state ballot measure within ten days of making the contribution. You made a $250,000 contribution to the ballot measure committee Yes on Fair, Yes on 27 on June 18, 2010 but did not file a Form 497 reporting the

contribution until November 16, 2010. You made a second $250,000 contribution to Yes on Fair, Yes on 27 on August 30, 2010 but did not file a Form 497 reporting that contribution until November 19, 2010. In both instances, the reports were not filed timely in violation of Section 84204.5, subdivision (a).

Section 84200, subdivision (a) and Section 84200.5, subdivision (f) require general purpose recipient committees to file semi-annual and pre-election campaign statements. These statements are filed either on a Form 450 (short form) or Form 460, depending on the committee's activity during the period. You failed to timely file either one of these statements. Instead, you timely filed campaign statements as a major donor committee rather than a recipient committee.

Despite your violations of the Act, mitigating factors exist such that the FPPC has decided to issue you a warning letter rather than impose a fine. The majority of your violations resulted from your apparently unintentional misclassification of the committee as a major donor committee instead of a recipient committee. Upon realizing your mistake, you filed the proper statements and reports. Further, the information contained on the statements and reports that you failed to timely file was disclosed on other statements and reports before the election and there is no evidence that you intended to conceal any information. Lastly, you do not have a history of violating the Act.

This letter serves as a written warning. The information in this matter will be retained and may be considered should an enforcement action become necessary based on newly discovered information or future conduct. Failure to comply with the provisions of the Act in the future will result in monetary penalties of up to $5,000 for each violation.

A warning letter is an FPPC case resolution without administrative prosecution or fine. The warning letter resolution does not provide you with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the Fair Political Practices Commission. If you wish to avail yourself of these proceedings by requesting that your case proceed with prosecution rather than a warning, please notify us within ten (10) days from the date of this letter. Upon this notification, the FPPC will rescind this warning letter and proceed with administrative prosecution. If we do not receive such notification, this warning letter will be posted on the FPPC's website ten (10) days from the date of this letter.

If you need forms or a manual, or guidance regarding your obligations, please call the Commission's Toll-Free Advice Line at 1-866-275-3772 or visit our website at www.fppc.ca.gov.

Please feel free to contact me at (916) 323-6302 with any questions you may have regarding this letter.

Sincerely,

Dave Bainbridge
Senior Commission Counsel
Enforcement Division